

# ***City of McFarland***

## ***Financial Statement***

***For the Year Ended December 31, 2017***

*ATC Accounting*

City of McFarland, Kansas  
Financial Statement  
For the Year Ended December 31, 2017

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## INDEPENDENT AUDITOR'S REPORT

Component Units Are Omitted-Separate Entity Financial Statements Have Been Issued

Honorable Mayor and City Council  
City of McFarland  
McFarland, Kansas 67035

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of McFarland, Kansas, as of and for the year ended December 31, 2017 and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the City of McFarland, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of McFarland, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

### *Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of McFarland, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the 2017 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual, individual fund schedules of regulatory basis receipts and expenditures-actual (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2017 basic financial statement, however are required to be presented under the provision of the Kansas Municipal audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2016 basic financial statement upon which we rendered as unqualified opinion dated November 28, 2017. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.

### *ATC Accounting*

ATC Accounting

October 26, 2018

City of McFarland, Kansas  
Summary Statement of Receipts, Expenditures, and Encumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2017

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances And Accounts Payable	Ending Cash Balance
GENERAL	\$ 3,282	\$ 88,015	\$ 87,037	\$ 4,260	\$ 2,203	\$ 6,463
SPECIAL PURPOSE FUNDS:						
Special Highway	40,089	6,812	-	46,901	-	46,901
CAPITAL PROJECT FUNDS:						
Utility Reserve	10,614	10,144	1,318	19,440	-	19,440
Sewer Reserve	19,510	2,000	-	21,510	-	21,510
Street Project	2,246	-	2,246	-	-	-
BUSINESS FUNDS:						
Water Utility	36,411	50,248	49,336	37,323	2,203	39,526
Sewer Utility	74,733	44,532	50,741	68,524	2,203	70,727
Gas Utility	19,884	73,852	70,566	23,170	2,203	25,373
Storm Water Utility	15,538	7,307	4,704	18,141	-	18,141
Total Reporting Entity	<u>\$ 222,307</u>	<u>\$ 282,910</u>	<u>\$ 265,948</u>	<u>\$ 239,269</u>	<u>\$ 8,812</u>	<u>\$ 248,081</u>
						Checking Accounts
						Certificates of Deposit
						<u>\$ 205,418</u>
						<u>42,663</u>
						Total Reporting Entity
						<u>\$ 248,081</u>

The notes to the financial statement are an integral part of this statement

City of McFarland, Kansas  
Notes to Financial Statement  
December 31, 2017

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Financial Reporting Entity

The City of McFarland is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of McFarland (the municipality).

The related municipal entity is not included in the City's reporting entity even though it was established to benefit the City and/or its constituents.

Library Board - The Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Complete financial records for the Library Board may be reviewed at their administrative offices.

### (b) Regulatory Basis Fund Types

**General fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose fund** – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**Bond and Interest fund** – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

**Capital Project fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Business fund** – funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, electric fund, etc.).

**Trust fund** – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

**Agency fund** – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

### (c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

#### **(d) Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted from the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- 1) Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>
- 2) Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
- 3) Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
- 4) Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received, an expenditure includes disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds and Agency Funds.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Compliance with Kansas Statutes**

Pursuant to KSA 12-1118, unless reimbursed, disbursements from reserve funds are for capital expenditures and not normal operating expenditures. Salaries were allocated to the Utility Depreciation Reserve per the Treasurer Report.

The City is not aware of any additional non-compliance with Kansas Statutes.

### **3. DEPOSITS AND INVESTMENTS**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such an institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutes to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$248,081 and the bank balance was \$248,617. The bank balance was held by 1 bank resulting in a concentration of credit risk. Of the bank balance \$248,617 was covered by federal depository insurance and pledged securities.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

#### 4. LONG-TERM DEBT

Changes in long-term liabilities for the year ended December 31, 2017, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest/ Service Fees Paid
General Obligation Bond:									
Series 2012A	3.375%	06/28/2012	\$ 550,000	06/28/2042	\$ 35,100	\$ -	\$ 800	\$ 34,300	\$ 1,186
Series 2012B	3.375%	06/28/2012	430,000	06/28/2042	43,600	-	1,000	42,600	1,474
Series 2016A	3.250%	09/30/2016	190,000	09/01/2036	190,000	-	-	190,000	-
KDHE Loan:									
KS Water Pollution Revolving Loan	2.94%	12/18/2011	42,825	03/01/2025	143,272	-	15,070	128,202	4,102
Total Contractual Indebtedness					\$ 411,972	\$ -	\$ 16,870	\$ 395,102	\$ 6,762

Year	General Obligation 2012A		General Obligation 2012B		General Obligation 2016A		KDHE Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 800	\$ 1,159	\$ 1,100	\$ 1,440	\$ 5,000	\$ 11,749	\$ 15,516	\$ 3,656	\$ 22,416	\$ 18,004
2019	900	1,132	1,100	1,403	10,000	6,013	15,976	3,196	27,976	11,744
2020	900	1,102	1,100	1,366	10,000	5,688	16,449	2,723	28,449	10,879
2021	900	1,071	1,200	1,328	10,000	5,363	16,936	2,236	29,036	9,998
2022	1,000	1,041	1,200	1,288	10,000	5,038	17,438	1,735	29,638	9,102
2023-2027	5,300	4,688	6,700	5,800	50,000	20,313	45,887	2,043	107,887	32,844
2028-2032	6,600	3,711	8,400	4,553	50,000	12,187	-	-	65,000	20,451
2033-2037	8,000	2,505	9,800	3,045	45,000	3,900	-	-	62,800	9,450
2038-2042	9,900	1,031	12,000	1,250	-	-	-	-	21,900	2,281
					-	-	-	-		
	\$ 34,300	\$ 17,440	\$ 42,600	\$ 21,473	\$ 190,000	\$ 70,251	\$ 128,202	\$ 15,589	\$ 395,102	\$ 124,753

## **5. DEFINED BENEFIT PENSION PLAN**

**Plan Description.** The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

**Funding Policy.** K.S.A. 74-419 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depend on whether the employee is a Tier 1, Tier 2, or Tier 3 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009 and Tier 3 members were first employed in a covered position on or after January 1, 2015. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members through December 31, 2014. On January 1, 2015, Kansas law increased the KPERS member-employee contribution rate to 6% of covered salary for Tier 1 members. On that date, the Tier 2 member-employee contribution rate remained at 6% of covered salary, and the Tier 3 member contribution rate was established at 6% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for Tier 1 and Tier 2 be determined annually based on the results of an annual actuarial valuation. Tier 3 Employer credits are established by statute and are based on the member employee's years of service. Tier 1 and Tier 2 is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.46%, for the fiscal year ended December 31, 2017. Contributions to the pension plan from the city were \$2,814 for the year ended December 31, 2017

**Net Pension Liability.** At December 31, 2017, the city's proportionate share of the collective net pension liability reported by KPERS was \$26,246. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The city's proportion of the net pension liability was based on the ration of the city's contributions to KPERS, relative to the total employer and non-employer contributions of the local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## **6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

### **(a) Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

**(b) Compensated Absences**

An employee is given four hours sick leave for each month of service. A total of two hundred forty hours sick leave can be accumulated. No sick leave exceeding three consecutive days will be allowed unless a statement from a doctor certifies that the sickness prevented the employee from working. Any unused accumulated sick leave may be used by an employee during their employment with the City and if employment is served, the unused accumulated amount is not paid to the employee. Therefore, accumulated sick leave has not been accrued.

**(c) Other Employee Benefits**

Vacation – All full-time employees of the City are entitled to paid vacation. After one full year of employment, employees are entitled to five working days of paid vacation. After two full years of employment, employees are entitled to ten working days of paid vacation. After five full years of employment, employees are entitled to twelve working days of paid vacation. After ten full years of employment, employees are entitled to fifteen working days of paid vacation. After twenty full years of employment, employees are entitled to twenty days of paid vacation. Employees are not allowed to accumulate vacation from year to year. The vacation time is paid at the employee's regular rate. Unused vacation pay will be paid to employees upon termination, if proper notice of resignation is given.

The cost of accumulated vacation leave is \$652 and will be recorded as expenditures at the time the vacation leave is utilized, as normal personal service expenditures.

Sick Leave - An employee is given 4 hours sick leave for each month of service. A total of two hundred forty hours of sick leave can be accumulated. Any unused accumulated sick leave may be used by an employee during their employment with the City and if employment is served. Upon termination or resignation, the unused accumulated amount is not paid to the employee. Therefore, accumulated sick leave has not been accrued.

## **7. CLAIMS AND JUDGMENTS**

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2016 to 2017 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

## **8. INTERFUND TRANSFERS**

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
Water Utility	Utility Reserve	K.S.A. 12-1,118	5,000
Gas Utility	Utility Reserve	K.S.A. 12-1,118	5,000
Sewer Utility	Sewer Reserve	K.S.A. 12-1,118	2,000

## **9. RELATED PARTY TRANSACTIONS**

Tom Dillingham, Mayor, is contracted to use his equipment for the city. The City conducted business with Tom and paid him \$1,159 for services or products.

## **10. SUBSEQUENT EVENTS**

Management has evaluated the effects of the financial statement of subsequent events occurring through the date of the report which is the date at which the financial statement was available to be issued.

**CITY OF MCFARLAND, KANSAS**  
**REGULATORY-REQUIRED**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

City of McFarland, Kansas  
Summary of Expenditures – Actual and Budget  
Regulatory Basis  
(Budgeted Funds Only)  
For the Year Ended December 31, 2017

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable To Current Year Budget	Variance Over (Under)
GENERAL	\$ 100,524	\$ -	\$ 100,524	\$ 87,037	\$ (13,487)
SPECIAL PURPOSE FUNDS:					
Special Highway	41,275	-	41,275	-	(41,275)
BUSINESS FUNDS:					
Water Utility	99,577	-	99,577	49,336	(50,241)
Sewer Utility	125,039	-	125,039	50,741	(74,298)
Gas Utility	108,295	-	108,295	70,566	(37,729)
Storm Water Utility	27,830	-	27,830	4,704	(23,126)

City of McFarland, Kansas  
General Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year End December 31, 2017

	2016	2017		
	Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Ad Valorem Tax	\$ 37,714	\$ 38,100	\$ 38,806	\$ (706)
Delinquent Tax	630	1,234	-	1,234
Motor Vehicle Tax	5,701	7,499	6,199	1,300
Recreational Vehicle Tax	91	76	100	(24)
16/20M Vehicle Tax	61	53	39	14
Commercial Truck Tax	-	102	101	1
Watercraft Tax	24	-	-	-
Franchise Fees	5,615	6,117	4,200	1,917
Local Sales Tax	15,204	11,882	10,263	1,619
Licenses, Permits, Rent	490	1,814	560	1,254
Charges for Services – Refuse	18,752	18,594	20,000	(1,406)
Grants and Donations	5,287	-	-	-
Interest on Idle Funds	147	173	158	15
Reimbursements	1,814	971	14,248	(13,277)
Cemetery Lots	100	1,400	200	1,200
Miscellaneous Receipts	3,534	-	-	-
<b>Total Receipts</b>	<b>95,164</b>	<b>88,015</b>	<b>\$ 94,874</b>	<b>\$ (6,859)</b>
<b>Expenditures</b>				
Salaries and Wages	17,913	10,576	\$ 8,562	\$ 2,014
Employee Benefits	-	-	19,250	(19,250)
Administration – City Hall	31,321	40,817	30,000	10,817
Street Department	9,528	4,889	5,000	(111)
Refuse Department	20,202	19,738	19,912	(174)
Park and Cemetery	10,498	7,072	9,500	(2,428)
Street Lights	3,639	3,945	3,300	645
Capital Outlay	-	-	5,000	(5,000)
Transfer – Street Project	180	-	-	-
Transfer – Special Highway	5,057	-	-	-
<b>Total Expenditures</b>	<b>98,338</b>	<b>87,037</b>	<b>\$ 100,524</b>	<b>\$ (13,487)</b>
<b>Receipts Over (Under) Expenditures</b>	<b>(3,174)</b>	<b>987</b>		
<b>Unencumbered Cash, January 1</b>	<b>6,456</b>	<b>3,282</b>		
<b>Unencumbered Cash, December 31</b>	<b>\$ 3,282</b>	<b>\$ 4,260</b>		

City of McFarland, Kansas  
Special Highway Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year End December 31, 2017

	2016	2017		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Special Highway Tax	\$ 6,806	\$ 6,812	\$ 6,600	\$ 212
Transfer - General	5,057	-	-	-
Total Receipts	11,863	6,812	\$ 6,600	\$ 212
Expenditures				
Street Repair	-	-	\$ 41,275	\$ (41,275)
Receipts Over (Under) Expenditures	11,863	6,812		
Unencumbered Cash, January 1	28,226	40,089		
Unencumbered Cash, December 31	\$ 40,089	\$ 46,901		

City of McFarland, Kansas  
Utility Depreciation Reserve Fund  
Schedule of Receipts and Expenditures – Actual  
Regulatory Basis  
For the Year End December 31, 2017

	2016	2017
	Actual	Actual
Receipts		
Interest on Idle Funds	\$ 184	\$ 144
Transfer – Water	4,000	5,000
Transfer – Gas	3,000	5,000
Sale of Assets	4,017	-
	<hr/>	<hr/>
Total Receipts	11,201	10,144
	<hr/>	<hr/>
Expenditures		
Salaries and Wages	-	1,318
Capital Outlay	30,932	-
	<hr/>	<hr/>
Total Expenditures	30,932	1,318
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	(19,731)	8,826
Unencumbered Cash, January 1	30,345	10,614
	<hr/>	<hr/>
Unencumbered Cash, December 31	\$ 10,614	\$ 19,440
	<hr/>	<hr/>

City of McFarland, Kansas  
Sewer Reserve Fund  
Schedule of Receipts and Expenditures – Actual  
Regulatory Basis  
For the Year End December 31, 2017

	2016	2017
	Actual	Actual
Receipts		
Transfer - Sewer	\$ 2,000	\$ 2,000
Expenditures		
Capital Outlay	-	-
Receipts Over (Under) Expenditures	2,000	2,000
Unencumbered Cash, January 1	17,510	19,510
Unencumbered Cash, December 31	\$ 19,510	\$ 21,510

City of McFarland, Kansas  
 Street Project Fund  
 Schedule of Receipts and Expenditures – Actual  
 Regulatory Basis  
 For the Year End December 31, 2017

	2016	2017
	Actual	Actual
Receipts		
Bond Proceeds	\$ 187,000	\$ -
Transfer from General	180	-
	<hr/>	<hr/>
Total Receipts	187,180	-
	<hr/>	<hr/>
Expenditures		
Streets and Sidewalks	184,934	2,246
	<hr/>	<hr/>
Total Expenditures	184,934	2,246
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	2,246	(2,246)
	<hr/>	<hr/>
Unencumbered Cash, January 1	-	2,246
	<hr/>	<hr/>
Unencumbered Cash, December 31	\$ 2,246	\$ -
	<hr/>	<hr/>

City of McFarland, Kansas  
Water Utility Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year End December 31, 2017

	2016	2017		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges for Services	\$ 46,457	\$ 50,248	\$ 57,000	\$ (6,752)
Miscellaneous Receipts	-	-	-	-
Total Receipts	46,457	50,248	\$ 57,000	\$ (6,752)
Expenditures				
Salaries and Wages	12,596	17,724	\$ 14,500	\$ 3,224
Contractual	17,596	14,937	14,000	937
Commodities	13,837	11,675	12,000	(325)
Capital Outlay	-	-	45,277	(45,277)
Vehicle Fuel and Maintenance	-	-	2,800	(2,800)
Miscellaneous	-	-	6,000	(6,000)
Transfer – Utility Reserve	4,000	5,000	5,000	-
Total Expenditures	48,029	49,336	\$ 99,577	\$ (50,241)
Receipts Over (Under) Expenditures	(1,572)	912		
Unencumbered Cash, January 1	37,983	36,411		
Unencumbered Cash, December 31	\$ 36,411	\$ 37,324		

City of McFarland, Kansas  
Sewer Utility Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year End December 31, 2017

	2016	2017		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges for Services	\$ 43,971	\$ 44,532	\$ 46,000	\$ (1,468)
Miscellaneous	-	-	-	-
Total Receipts	43,971	44,532	\$ 46,000	\$ (1,468)
Expenditures				
Salaries and Wages	12,596	17,564	\$ 14,500	\$ 3,064
Contractual	6,905	7,033	4,000	3,033
Commodities	3,459	4,972	3,000	1,972
Capital Outlay	-	-	79,040	(79,040)
KDHE Loan Payment	19,172	19,172	19,172	-
Vehicle Fuel and Maintenance	-	-	2,300	(2,300)
Miscellaneous	-	-	1,027	(1,027)
Transfer – Sewer Reserve	2,000	2,000	2,000	-
Total Expenditures	44,132	50,741	\$ 125,039	\$ (74,298)
Receipts Over (Under) Expenditures	(161)	(6,209)		
Unencumbered Cash, January 1	74,894	74,733		
Unencumbered Cash, December 31	\$ 74,733	\$ 68,525		

City of McFarland, Kansas  
Gas Utility Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year End December 31, 2017

	2016	2017		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges for Services	\$ 56,049	\$ 65,682	\$ 91,500	\$ (25,818)
Sales Tax	784	870	1,400	(530)
Sale of Assets	-	7,300	-	7,300
Total Receipts	56,833	73,852	\$ 92,900	\$ (19,048)
Expenditures				
Salaries and Wages	10,623	16,111	\$ 14,500	\$ 1,611
Contractual	18,174	7,395	3,000	4,395
Commodities	7,781	6,893	4,500	2,393
Capital Outlay	-	-	22,095	(22,095)
Gas Purchased	28,140	35,167	55,000	(19,833)
Vehicle Fuel and Maintenance	-	-	2,800	(2,800)
Sales Tax	-	-	1,400	(1,400)
Transfer – Utility Reserve	3,000	5,000	5,000	-
Total Expenditures	67,718	70,566	\$ 108,295	\$ (37,729)
Receipts Over (Under) Expenditures	(10,885)	3,286		
Unencumbered Cash, January 1	30,769	19,884		
Unencumbered Cash, December 31	\$ 19,884	\$ 23,170		

City of McFarland, Kansas  
Storm Water Utility Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year End December 31, 2017

	2016	2017		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges for Services	\$ 7,471	\$ 7,307	\$ 7,500	\$ (193)
Miscellaneous	-	-	-	-
Total Receipts	7,471	7,307	\$ 7,500	\$ (193)
Expenditures				
Salaries and Wages	-	-	\$ -	\$ -
Contractual	4,600	168	-	168
Commodities	462	80	500	(420)
Capital Outlay	-	-	22,723	(22,723)
KDHE Loan Payment	4,414	4,456	4,425	31
Miscellaneous	-	-	182	(182)
Total Expenditures	9,476	4,704	\$ 27,830	\$ (23,126)
Receipts Over (Under) Expenditures	(2,005)	2,603		
Unencumbered Cash, January 1	17,543	15,538		
Unencumbered Cash, December 31	\$ 15,538	\$ 18,141		